

What's Hot Today:

▶ Trip.com (9961 HK, HK\$403.80, HK\$264bn) 4Q25 Revenue Beat, Margins Soft on Overseas Spend

Trip.com Group is China's leading OTA platform. It posted a 4Q25 revenue of RMB15.4bn (+21% YoY / -16% QoQ), sustaining solid growth despite typical seasonal softness and coming in ahead of market consensus of RMB14.9bn.

Fig 1: YoY and HoH Comparison (RMB bn)

	4Q24		3Q25		4Q25			
	RMB bn	% of Rev	RMB bn	% of Rev	RMB bn	% of Rev	YoY	QoQ
Accommodation	5.2	41%	8.0	44%	6.3	41%	21%	-22%
Transportation	4.8	37%	6.3	34%	5.4	35%	12%	-15%
Packaged Tour	0.9	7%	1.6	9%	1.1	7%	21%	-34%
Corporate Travel	0.7	5%	0.8	4%	0.8	5%	15%	7%
Others	1.2	10%	1.7	9%	1.9	12%	54%	16%
Total Revenue	12.8		18.4		15.4	21%	-16%	
COGS	2.6		3.4		3.2	23%	-4%	
Gross Profit	10.1	79%	15.0	81%	12.2	79%	0 ppt	-2 ppt
R&D Expense	3.4	27%	4.1	22%	4.0	26%	19%	-1%
Selling Expense	3.4	26%	4.2	23%	4.4	29%	30%	5%
Administrative Expense	1.0	8%	1.1	6%	1.2	8%	16%	5%
OPEX	7.8	61%	9.4	51%	9.6	62%	23%	2%
Core Operating Profit	2.3	18%	5.6	30%	2.5	16%	10%	-55%
Net Profit	2.2	17%	19.9	108%	4.3	28%	98%	-78%

Source: Company Data, Sunwah Kingsway Research

Accommodation strength sustains growth: 4Q25 accommodation revenue reached RMB6.3bn (+21.4% YoY / -22% QoQ), accounting for 41% of total. Growth was driven by stronger bookings, with higher volumes and improving ADR and rising average booking value suggesting resilient demand.

Transport ticketing momentum stays resilient: 4Q25 transport ticketing revenue stood at RMB5.4bn (+12% YoY / -15% QoQ). The YoY growth was primarily driven by stronger ticketing volumes and a favorable mix shift toward higher-yield international air tickets, lifting revenue per ticket.

Advertising, packaged tours and corporate travel outperformed expectations: Other revenue (mainly advertising) surged 54% YoY to RMB1.9bn, supported by stronger ad monetization as overseas operations expanded. Packaged tours revenue rose 21% YoY to RMB1.06bn, driven by increasing outbound vacation demand and firmer domestic leisure travel. Corporate travel revenue increased 15% YoY to RMB0.8bn. This area is considered to be customers of high stickiness, with over 28K Chinese corporates served in 2025.

Overseas business delivered strong momentum: In 2025, Trip.com's international OTA platform reported 60% YoY growth in total bookings, and the company served around 20mn inbound travelers for the full year. International revenue mix increased from 35% last year to 40%, with APAC the primary expansion focus. Despite the current situation in the Middle East which would likely see diminished demand for a while, the longer term should be Trip's area of growth.

China & HK Indices	CLOSE	1D	YTD
HSI	26,059	-2.1%	1.7%
HSCEI	8,701	-1.8%	-2.4%
HSCCI	4,438	-0.0%	10.5%
CSI300	4,728	0.4%	2.1%
Shanghai A	4,386	0.5%	6.1%
Shanghai B	269	-0.0%	6.1%
Shenzhen A	2,872	-0.7%	8.5%
Shenzhen B	1,220	0.7%	-3.5%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	48,904	-0.1%	1.8%
S&P 500	6,881	0.0%	0.5%
Nasdaq	22,748	0.4%	-2.1%
NIKKEI Index	57,578	-0.8%	14.4%
FTSE Index	10,780	-1.2%	8.5%
CAC Index	8,394	-2.2%	3.0%
DA X Index	24,638	-2.6%	0.6%

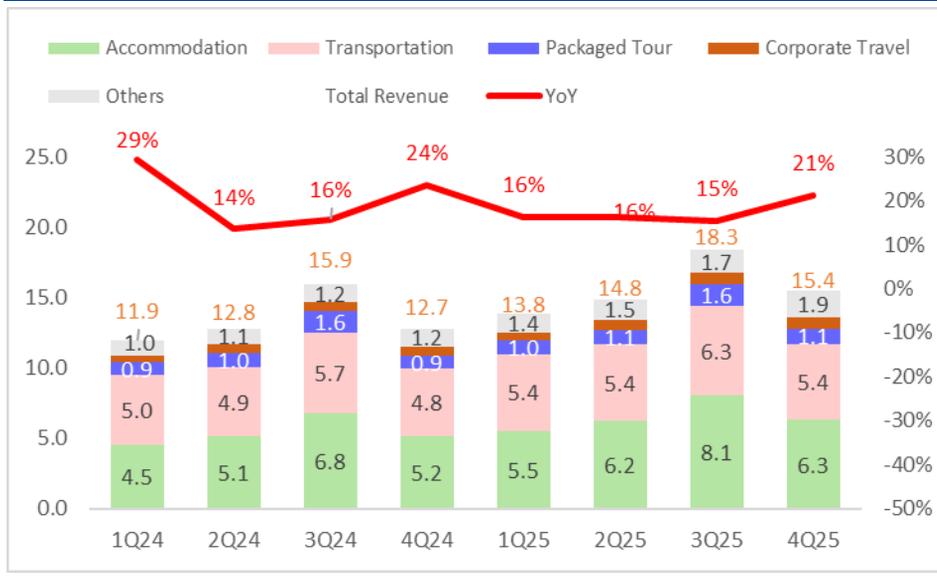
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	5,322	0.8%	23.8%
STEEL (US\$/oz.)	3,045	-0.0%	19.7%
SILVER (US\$/oz.)	89	-4.7%	26.6%
CRUDE OIL (US\$/bbl)	71	6.3%	24.1%
COPPER (US\$/oz.)	13,108	-1.5%	5.5%
ALUMINIUM (US\$/oz.)	3,194	1.2%	6.6%
PLATINUM (US\$/oz.)	2,307	-2.6%	12.0%
ZINC (US\$/oz.)	3,317	-1.8%	6.4%
WHEAT (US\$/bu)	574	0.5%	13.3%
CORN (US\$/bu)	445	0.5%	-0.6%
SUGAR (US\$/lb)	103	34.6%	
SOYBEAN (US\$/bu)	1,164	0.0%	9.7%
PVC (US\$/t)	4,819	0.6%	10.8%
CRB	320	3.4%	3.0%
BDI			14.0%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.821	0.856	157.390	0.779	6.905
HKD	0.128		0.109	20.123	9.965	0.883
EUR	1.169	9.143		183.970	1.098	8.075
JPY	0.006	4.970	0.544		0.495	0.044
CHF	1.283	10.035	1.098	201.976		8.872
RMB	0.145	1.133	0.124	22.792	0.113	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	21	2.0%

Source: Bloomberg

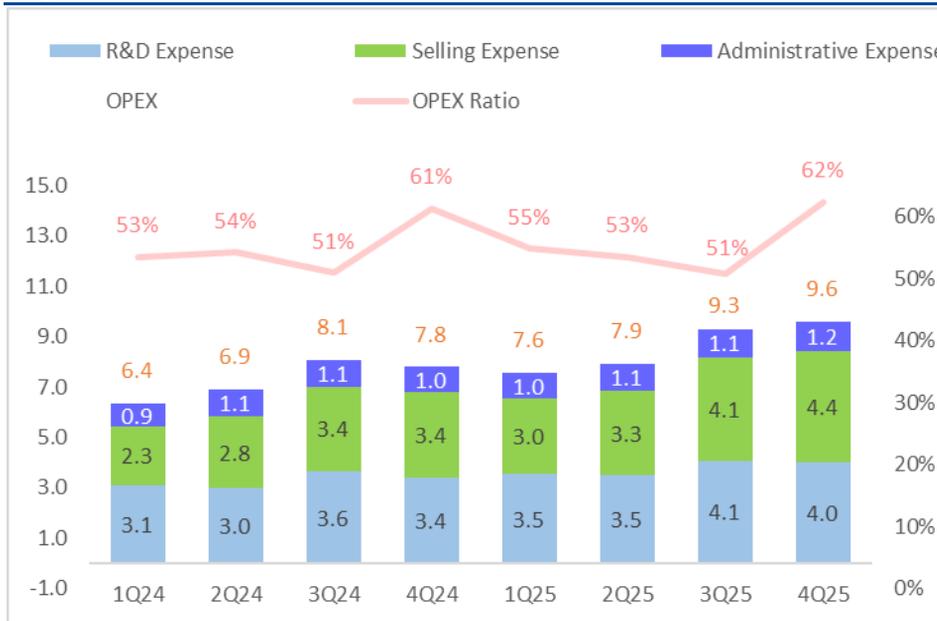
Fig 2: Total Revenue and Growth Rate (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

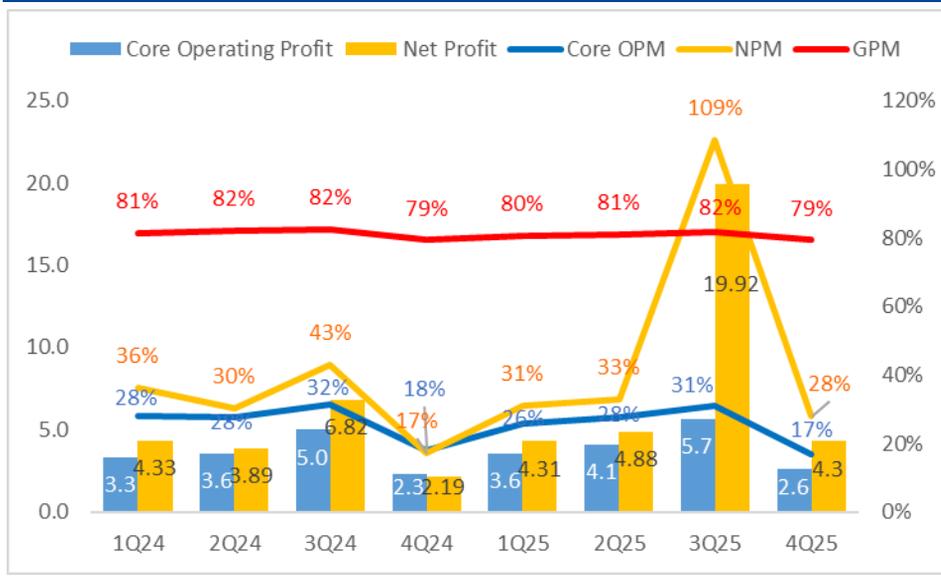
Profitability softened on overseas investment: Sales and marketing expenses up 30% YoY pressuring profit margins. With a higher international mix which commands a lower margin at the moment, GPM eased to 79% (YoY/QoQ) while core OPM softened to 16.5% with core operating profit at RMB2.54bn. GAAP operating profit rose 10% YoY to RMB4.3bn, well below market expectations.

Fig 3: Breakdown of OPEX (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

Fig 4: Breakdown of Profitability (RMB'bn)



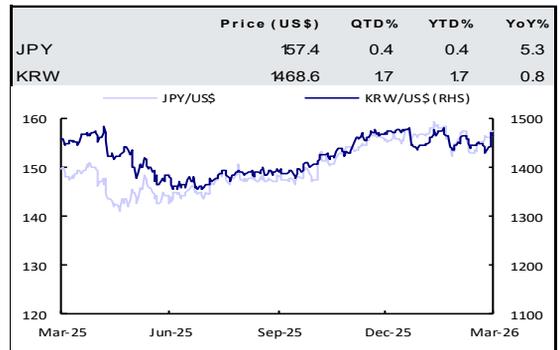
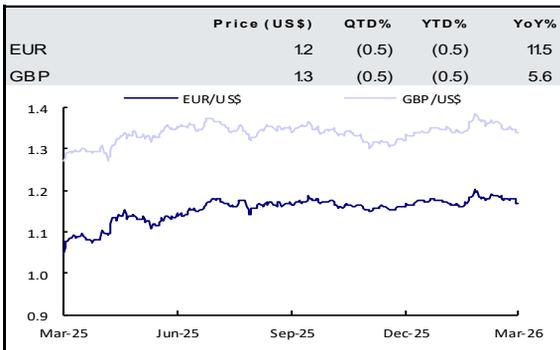
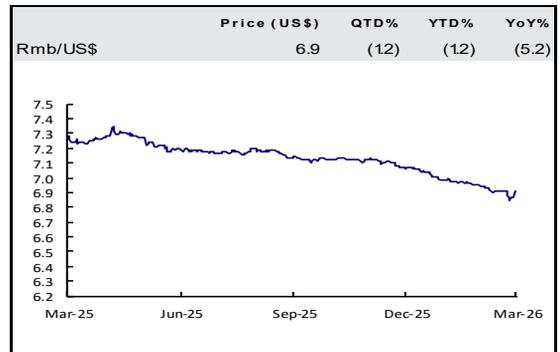
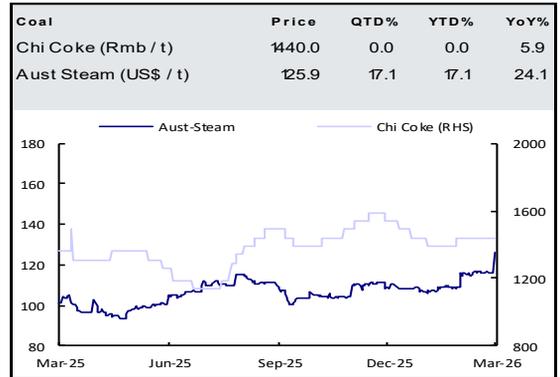
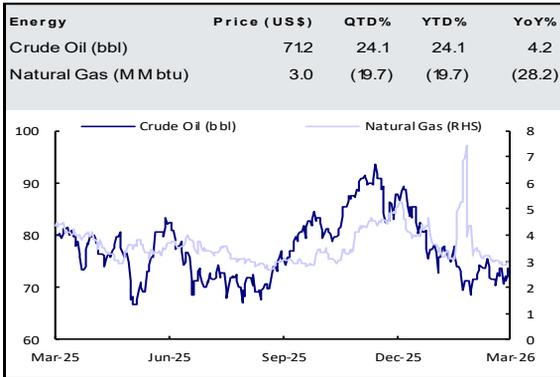
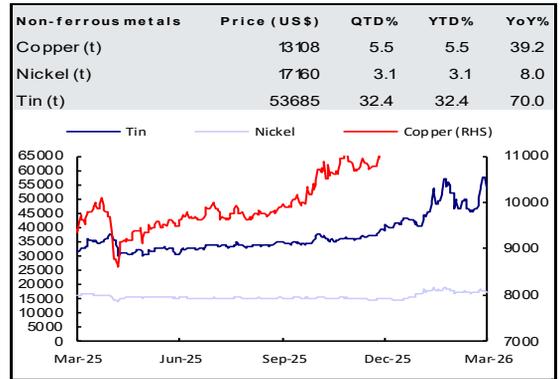
Source: Company Data, Sunwah Kingsway Research

Business Outlook: The Mgt reveals that it is fully cooperating with the ongoing SAMR investigation. Furthermore, it guided to resilient demand into 2026 Spring Festival season with double-digit growth in domestic hotel bookings and outbound travel, a modest ADR uplift, and stable spend per trip. The Mgt believes that inbound travel will be a high growth area and will continue to strengthen 24/7 multilingual customer support, broaden end-to-end product coverage, and enhance global supply and fulfillment capabilities. Loss margin in the overseas business is expected to narrow to the low-teens level. The company will also step up AI investment to enhance travel discovery and itinerary planning, improve real-time inventory and pricing, and upgrade conversion and service quality across both booking and post-booking journeys.

Our views: 4Q25 results were solid, with sustained revenue growth. Margins were pressured by elevated overseas investment, but overseas losses have been narrowing and the overall profitability is expected to gradually improve in 2026 as scale and marketing efficiency kick in.

The recent share price has been largely weighed down by regulatory overhang. Based on precedents involving Chinese internet companies, the investigation is likely to result in an administrative fine, estimated to be in the range of RMB1-2bn. This amount is manageable compared to the FY25 net profit of over RMB30bn. Furthermore, there are concerns about how hotel-side commercial terms may change and reshape competitive landscape. We believe that the company can adjust its revenue model to minimize the impact and its solid clientele will likely be maintained. The counter is trading at 12.5x FY26E PE. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
ISM Manufacturing PMI	MoM		2-Mar-26
Employment Report	MoM		6-Mar-26
Retail Sales	MoM		6-Mar-26
Business Inventories	MoM		6-Mar-26
CPI	MoM		11-Mar-26
Trade Balance	MoM		12-Mar-26
Housing Starts / Building Permits	MoM		12-Mar-26
Personal Income & Spending	MoM		13-Mar-26
Durable Goods Orders	MoM		13-Mar-26
GDP	QoQ		13-Mar-26
PPI	MoM		18-Mar-26
New home Sales	MoM		19-Mar-26
Consumer Confidence	MoM		31-Mar-26
Factory Orders	MoM		18-Mar-26
Initial Jobless Claims	WoW		5-Mar-26
Wholesale Inventories	MoM		19-Mar-26
Existing Home Sales	MoM		10-Mar-26
Industrial Production	MoM		16-Mar-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		4-Mar-26
Foreign Exchange Reserves	QoQ		7-Mar-26
Money Supply - M2	MoM		9-Mar-26
PPI	MoM		9-Mar-26
CPI	MoM		9-Mar-26
Trade Balance	MoM		14-Apr-26
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Retail Sales	MoM		4-Mar-26
PMI	MoM		4-Mar-26
Foreign Currency Reserve	MoM		6-Mar-26
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Unemployment Rate	MoM		18-Mar-26
CPI	MoM		20-Mar-26
Trade Balance	MoM		26-Mar-26
Money Supply - M2	MoM		31-Mar-26
GDP	QoQ		5-May-26
Composite Interest Rate	MoM		

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KFS and/or its affiliates beneficially own shares of Trip.com Group Ltd. (9961.HK).

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